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FILED

2007 OCT -5 P 3:11 *km*

RICHARD W. WIEKING  
CLERK  
U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

5 Attorney for Plaintiff, MORELLI TAYLOR SPORTFISHING & MARINE  
6 SUPPLY, LLC, a California Limited Liability Company d.b.a. LEO'S  
SPORTFISHING

7  
8 UNITED STATES DISTRICT COURT

9 NORTHERN DISTRICT OF CALIFORNIA

10 MORELLI TAYLOR SPORTFISHING )  
11 & MARINE SUPPLY, LLC, a )  
California Limited Liability )  
12 Company d.b.a. LEO'S )  
SPORTFISHING, )

CASE NO: C0704947 *HRL*

13 Plaintiff, )

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DECLARATION OF LEONARDO J.  
MORELLI IN OPPOSITION TO  
DEFENDANTS' MOTION TO VACATE  
ORDER OF ARREST, OR,  
ALTERNATIVELY, TO SET THE  
AMOUNT OF SECURITY FOR RELEASE  
OF THE VESSEL

13 vs. )

14 DAN ROBIN CATALANO, an )  
15 individual, in personam; )  
16 Unnamed Sailing Vessel, )

Date: October 9, 2007  
Time: 10:30 a.m.  
Courtroom: 2, 5<sup>th</sup> Floor  
Hon. Howard R. Lloyd

17 Hull #CFZ0237TC700 & )  
18 CF #0237TP, in rem, and )  
DOES 1-100, inclusive, )

19 Defendants. )  
20 )  
21 )  
22 )  
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28 )

22 I, LEONARDO J. MORELLI, declare as follows:

23 I am the managing partner of the Plaintiff in this action. I  
24 have personal knowledge of all the facts stated herein and if  
25 called as a witness, could and would competently testify to them  
26 under oath.

27 1. On or about May 9, 2007, Mr. Catalano hired me to work on  
28 the vessel that is the subject of this action.

1           2. Mr. Catalano informed me that the vessel was operable.

2           3. Mr. Catalano hired me to customize the vessel to look  
3 like a pirate ship.

4           4. My work included installing masts that would accommodate  
5 square sails.

6           5. As per Mr. Catalano, the square sails were for show, as  
7 the boat would be motored during the cruises.

8           6. Mr. Catalano registered the vessel with the State of  
9 California on May 24, 2007. A true and correct copy of the  
10 California Registration of the vessel is Exhibit 1.

11           7. Because I had not been paid for my work on the vessel, I  
12 took a security interest in the vessel as a lienholder.

13           8. Mr. Catalano claimed he was unable to pay me for my work,  
14 I suggested we start a business called Buccaneer Adventures,  
15 selling cruises on the vessel in the Santa Cruz Bay.

16           9. A Memorandum of Intent memorializing our proposed  
17 business venture is attached as Exhibit 2.

18           10. The vessel was tied up to my dock during the period that  
19 I worked on the vessel.

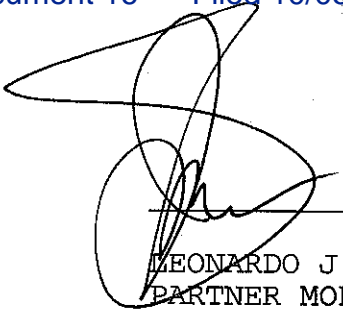
20           11. In early August 2007, after I had spent in excess of  
21 \$60,000 customizing the vessel, Mr. Catalano became very  
22 argumentative and moved the vessel from my dock.

23           12. I estimate the value of the vessel to be in excess of  
24 \$150,000.

25           I declare under penalty of perjury under the laws of the  
26 state of California and the United States that the foregoing is  
27 true and correct.

28        ////

1  
2 Dated: October 5, 2007



3 LEONARDO J. MORELLI, MANAGING  
4 PARTNER MORELLI TAYLOR SPORTFISHING  
5 & MARINE SUPPLY, LLC, a California  
6 Limited Liability Company d.b.a.  
7 LEO'S SPORTFISHING,  
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**EXHIBIT 1**

ABACUS SYSTEMS  
 9/20/07  
 Standard  
 Docs

JOE'S  
 COPY

**UNDOCUMENTED VESSEL** **CERTIFICATE OF NUMBER** **VALID TO: 12/31/2007**

BUILDER	YR BUILT	YR MODEL	PURCHASE DATE	CLASS	LENGTH FT-IN	TYPE	USE	CF NUMBER
SPCNS	1987	0000	04/07/2007	BE	058-07	82	V1	CF 0237 TP
	FUEL	PROP	VESSEL TYPE	HULL MATL	NO			HULL ID NUMBER
	D	A	S	S	NS			CFZ0237TC700
VESSEL USE		DATE ISSUED	CC/ALCO	DT FEE RECVD	PTC	USE TAX		STICKER ISSUED
PLEASURE		05/24/07	44	05/24/07	2	468		S365759

REGISTERED OWNER  
 CATALANO DAN ROBIN  
 1280 GRAHAM HILL RD

AMOUNT PAID  
 \$ 506.00

AMOUNT DUE \$ 506.00  
 AMOUNT RECVD  
 CASH :  
 CHCK :  
 CRDT : 506.00

SANTA CRUZ  
 CA 95060

LIENHOLDER  
 MORELLI LEONARDO/  
 SHIRLEY JOHN  
 1280 GRAHAM HILL RD

SANTA CRUZ  
 CA 95060

F00 550 24 0050600 0011 CS F00 052407 V1 CF0237TP 700

\*\*\*\*\*  
 DO NOT DETACH - REGISTERED OWNER INFORMATION  
 \*\*\*\*\*

1. RENEWAL OF VESSEL REGISTRATION IS REQUIRED ON OR BEFORE THE EXPIRATION DATE TO AVOID 50% PENALTY. IF YOU DO NOT RECEIVE A BILLING NOTICE, USE THE ATTACHED CERTIFICATE OF NUMBER TO RENEW.
2. THIS CERTIFICATE MUST BE ON BOARD WHENEVER THE VESSEL IS IN OPERATION
3. AN OPERATOR WHO IS INVOLVED IN AN ACCIDENT IS REQUIRED TO REPORT THE ACCIDENT, WHEN THERE IS A DEATH OR DISAPPEARANCE; INJURY REQUIRING TREATMENT BEYOND FIRST AID; PROPERTY DAMAGE OF MORE THAN \$500; OR COMPLETE LOSS OF A VESSEL, TO:

DEPARTMENT OF BOATING AND WATERWAYS  
 2000 EVERGREEN STREET, SUITE 100  
 SACRAMENTO, CA 95815-3888

304  
 271-2405

**EXHIBIT 2**

ABACUS  
By Jm 9/20/07  
Standard  
Names Events Docs

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## MEMORANDUM

Of

## INTENT

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This Memorandum of Intent is made between Leonardo J. Morelli ('Leo'), Dan Catallano ('Dan') and John Shirley ('John') [hereinafter referred to collectively as 'the parties'], with respect to their intention to create a business entity whose purpose it will be to manage and operate a business venture more fully described below:

**THE PARTIES AGREE TO THE FOLLOWING PRELIMINARY BUSINESS PLAN  
& GENERAL GUIDING PARAMETERS, AS DESCRIBED MORE FULLY BELOW:**

1. The parties will form a California limited liability company (the 'LLC') for the purpose of managing and operating a pleasure cruise charter service originating from the Santa Cruz Yacht Harbor, by and through the retail establishment commonly known as 'Leo's Sportfishing'.
2. The LLC will be named 'Buccaneer Adventures, LLC'.
3. Ownership in the LLC will be initially allocated to the following three (3) members according to the proportions described below:
  - a. Leo - 40%;
  - b. Dan - 30%;
  - c. John - 30%.

4. The initial capital investment in the LLC contributed by each of the parties will be determined and documented as of the date of LLC formation.

5. Additional capital contributions by each party after the date of LLC formation will be documented by each of the parties and added to the LLC's books of account from time to time.

6. Should a member die or wish to sell his interest in the LLC, the remaining members shall have right of first refusal to purchase the outgoing member's interest, to be calculated at fair market value according to a method of business valuation agreed to between the parties. - *SUBORDINATE*

*family members - TRUSTEE WILL RECEIVE QUANTITY CCR. BUT NO BUSINESS INPUT @ ALL.*

7. Leo will serve as Managing Member of the LLC.

8. As Managing Member, Leo will oversee, supervise and otherwise manage all aspects of the day-to-day affairs of the LLC's business activities.

9. Net profits generated by the LLC will be distributed on a quarterly basis to the parties, in proportion with the ownership interests described in Paragraph (3), above.

10. If there are funds available, a monthly draw in a reasonable amount (as determined by a unanimous vote of all LLC members) may be taken by any member wishing to do so, subject to the consent of all LLC members, which amount shall be deducted from the withdrawing member's quarterly draw.

11. At this time, it is anticipated that the LLC will structure its cruise schedule and rates as follows:

a. 3 one-hour daily cruises (\$60.00/adult, \$40.00/child);

b. 1 two-hour evening cruise (\$125.00/adult, \$45.00/child;

rates include BBQ after cruise). - *Weather permitting.*

12. In the event of LLC dissolution, Leo will retain sole ownership rights to the name 'Buccaneer Adventures', 'Marauding & Mayhem on the High Seas', all other slogans associated with the LLC